



FloorPrep

Legislative Digest

Wednesday, February 2, 2000

J.C. Watts, Jr.
Chairman
4th District, Oklahoma

House Meets at 10:00 a.m. for Legislative Business

Anticipated Floor Action:

H.R. 2005—Workplace Goods, Jobs Growth, and Competitiveness Act

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H.R. 2005—Workplace Goods, Jobs Growth, and Competitiveness Act

Floor Situation: The House will consider H.R. 2005 as its only order of business today. Yesterday, the Rules Committee granted a modified open rule that provides one hour of general debate, equally divided between the chairman and ranking member of the Judiciary Committee. The rule makes in order a committee amendment in the nature of a substitute as base text. In addition, it makes in order only those amendments that have been pre-printed in the *Congressional Record*. The chairman of the Committee of the Whole may postpone votes and reduce the voting time on a postponed vote to five minutes, so long as it follows a regular 15-minute vote. Finally, the rule provides one motion to recommit, with or without instructions.

Summary: H.R. 2005 creates a uniform federal statute of repose—the length of time after which a manufacturer is no longer liable—for lawsuits involving property damage and personal injuries caused by durable goods (*i.e.*, products that are used in trade or business with an expected life of three years or more and subject to depreciation under the Internal Revenue Code). This statute of repose will bar a suit against the manufacturer of such a product for incidents that occur 18 years after it was delivered to its first purchaser. The injured party must be eligible for worker's compensation for the statute to apply.

The bill's scope is limited to workplace goods such as machine tools, printing presses, farm equipment, and plastic molding systems—what economists refer to as “capital stock.” It does not cover planes and automobiles for hire (*e.g.*, rental cars). In addition, the measure does not apply to durable goods covered by express warranties that guarantee the safety or life expectancy of a product for more than 18 years. H.R. 2005 operates as a two-way preemption by superceding state laws and replacing them with a uniform federal statute. Currently, 19 states have such statutes on the books, all of which are fewer than 18 years. This bill is nearly identical to the 1994 General Aviation Revitalization Act (GARA; *P.L. 103-298*), which established an 18-year statute of repose for the general aviation industry. CBO estimates that

enactment will have no significant impact on the federal budget. The bill was introduced by Mr. Chabot *et al.* and was reported by the Judiciary Committee by a vote of 16-14 on September 22, 1999.

Views: The Republican leadership supports passage of the bill. President Clinton strongly opposes the bill and has threatened to veto it.

Amendments: At press time, the *Legislative Digest* was aware of the following amendments to H.R. 2005:

Mr. Chabot may offer an amendment (#1) to clarify that the 18-year statute of repose established by the bill applies to the date when the accident occurred, not when the lawsuit is filed. The intent of the amendment is to ensure that injured parties will continue to have the benefit of statutes of limitation that run from the date of the injury. **Staff Contact: Liz Treanor, x5-2216**

Mr. Terry may offer an amendment (#2) to allow a lawsuit to go forward after 18 years have elapsed if it can be demonstrated that the product causing injury was defective when it was manufactured. **Staff Contact: Mark Davis, x5-4155**

Additional Information: See *Legislative Digest*, Vol. XXIX, #1, January 28, 2000.

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